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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902E) for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts.

Application 16-04-018
(Filed April 15, 2016)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference (PHC) held on June 6, 2015.

1. Background

On April 15, 2016, San Diego Gas & Electric Company (SDG&E) filed Application (A.) 16-04-018, its *Application of San Diego Gas & Electric Company (U 902 E) for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts (Application)*.

¹ All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=89380172>.

The application of SDG&E seeks approval of a total 2017 forecasted revenue requirement of \$1,298.475 million² and seeks approval of the following:

1. The Energy Resource Recovery Account (ERRA) revenue requirement, which includes greenhouse gas (GHG) costs;
2. The 2017 Competition Transition Charge (CTC) revenue requirement;
3. The 2017 Local Generation (LG) revenue requirement;
4. The 2017 San Onofre Nuclear Generating Station (SONGS) Unit 1 Offsite Spent Fuel Storage Cost Revenue requirement;
5. The GHG allowance revenues and return allocations, which include 2015 actual and 2016 forecasted revenue reconciliation adjustments;
6. Recover under-collected balances recorded to the Local Generating Balancing Account (LGBA);
7. Recover under-collected balances recorded to the Market Redesign and Technology Upgrade Memorandum Account (MRTUMA)
8. Proposed 2017 Local Generation Charge (LGC) rates;
9. Proposed 2017 vintage Power Charge Indifference Adjustment (PCIA) rates; and
10. Rate components for the Green Tariff Shared Renewables Program.

² This forecasted revenue requirement includes Franchise Fees and Uncollectibles (FF&U). The energy-intensive trade-exposed (EITE) return allocation is also included in this amount since its part of the 2017 forecast revenue requirement, although it is not returned to customers in rates.

On April 21, 2016, Resolution ALJ 176-3376 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary. The Office of Ratepayer Advocates (ORA) filed a protest to the Application on May 23, 2016. The Alliance for Retail Energy Markets (AREM) and Direct Access Customer Coalition (DACC) filed a response to the Application on May 23, 2016. SDG&E replied to the protest and response on June 2, 2016. On June 6, 2016, a Prehearing Conference (PHC) took place in San Francisco to establish the service list, discuss the scope, and develop a procedural timetable for the management of this proceeding.

2. Category, Need for Hearings, and *Ex Parte* Rules

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization or need for hearing. This ruling affirms the preliminary categorization of ratesetting and the need for hearing. This ruling as to category is appealable pursuant to Rule 7.6.

As noted in the schedule below and in accordance with Rule 7.3(a), today's scoping memo adopts a procedural schedule that includes hearings. In a ratesetting proceeding, *ex parte* rules as set forth in Rules 8.1, 8.2, 8.3, 8.5, and Public Utilities (Pub. Util.) Code Section 1701.3(c) apply.

3. Discovery

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the presiding officer, pursuant to Rule 11.3.

4. Scope of Proceeding

Through the Application, protest, and discussions during the PHC, parties conducted an exchange that has helped to refine the scope of the Application. In particular, this proceeding will:

1. Examine the Reasonableness of requests, including but not limited to costs, revenues, returns, reconciliations, variances, and credits;
2. Examine whether the Commission should adopt SDG&E's total 2017 combined revenue requirement of \$1,298.475 million as requested in its application;
3. Examine whether the Commission should approve the total 2017 ERRR revenue requirement of \$1,295.038 million, which includes 2017 forecast GHG costs of \$56.918 million;
4. Examine whether the Commission should approve the total 2017 CTC revenue requirement of \$22.662 million;
5. Examine whether the Commission should approve the total 2017 LG revenue requirement of \$60.255 million;
6. Examine whether the Commission should approve the 2017 SONGS Unit 1 Offsite Spent Fuel Storage revenue requirement of \$1.035 million;
7. Examine whether the Commission should approve the following 2017 GHG allowance revenue return allocations of \$.909 million for EITE customers; \$4.446 million for small businesses; and \$80.877 million for residential California Climate Credit (CCC);
8. Examine whether the Commission should approve the following, which are used in calculating the 2017 GHG allowance revenue return allocations: \$87.727369 million for GHG allowance revenues; the GHG allowance revenue set aside for clean energy/energy efficiency programs of \$1.316 million and \$187,500 for GHG administration, customer education and outreach plan costs;

9. Examine whether the Commission should approve the recovery of the under-collected balances recorded to the LGBA in the amount of \$5.449 million;
10. Examine whether the Commission should approve the recovery of the under-collected balances recorded to the MRTUMA in the amount of \$266,277;
11. Examine whether the Commission should approve the 2017 LGC Rates;
12. Examine whether the Commission should approve the proposed 2017 vintage PCIA rates;
13. Examine whether the Commission should approve SDG&E's 2017 Green Tariff Shared Renewables Program rates;
14. Ensure that all calculations are in compliance with all applicable resolutions, rulings and decisions for all customer types; and
15. Whether there are any safety considerations pursuant to Pub. Util. Code § 451 raised by SDG&E's application.

The parties, in their opening and rebuttal testimony, should address any issues within the scope of this proceeding on which factual information may be helpful to explain or support their positions.

5. Proceeding Schedule

With the above in mind, and based on SDG&E's application, protest, and discussion at the PHC, the following schedule shall be adopted for this proceeding:

EVENT	DATE
ORA/Intervenor Testimony Served	August 8, 2016
Concurrent Rebuttal Testimony Served	August 29, 2016
Parties inform the Administrative Law Judge (ALJ) via-email whether hearings are necessary and provide ALJ with Witness Lists and Cross-Examination Estimates	August 29, 2016
Evidentiary Hearings (if needed)	August 30-31, 2016 at 10:00 a.m. Commission Courtroom State Office Building at 505 Van Ness Avenue San Francisco, CA 94102
Concurrent Opening Briefs Filed and Served	September 22, 2016
Concurrent Reply Briefs Filed and Served	October 6, 2016
SDG&E November Update to Prepared Testimony	November 7, 2016*
ORA/Intervenor Comments on November Update	November 14, 2016*
SDG&E Reply Comments on November Update	November 18, 2016*
Proposed Decision Issued	November 28, 2016*
Comments on Proposed Decision	December 2, 2016

EVENT	DATE
Reply Comments on Proposed Decision	December 7, 2016
Proposed Decision on Commission Agenda	December 15, 2016

*These dates are dependent upon SDG&E receiving necessary inputs from Energy Division. If SDG&E does not receive such inputs in a timely manner, SDG&E may file a Motion to modify these filing dates. If such Motion is filed and granted, the date of the Proposed Decision may also be pushed back.

This schedule may be altered by the assigned Commissioner or Administrative Law Judge (ALJ). In any event, it is anticipated that this proceeding should conclude within 18 months of the date of this scoping memo. If there are any workshops in this proceeding, notices of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

The proceeding will stand submitted for decision by the Commission upon the filing of reply briefs, unless oral argument is scheduled or the assigned Commissioner or ALJ directs further evidence or argument. In such case, the proceeding will stand submitted upon conclusion of oral argument.

6. Final Oral Argument

Pursuant to Rule 13.13, any requests for a final oral argument before the Commission must be filed and served at the same time as opening briefs.

7. Intervenor Compensation

The PHC in this matter was held on June 6, 2016. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by July 6, 2016.

8. Presiding Officer

Pursuant to Rule 13.2, I designate ALJ Gerald F. Kelly as the Presiding Officer. Either the assigned Commissioner or Presiding Officer may amend the scope and schedule set out herein.

9. Filing, Service, and Service List

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the party or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is

required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: *A.16-04-018 – SDG&E’s 2017 ERRRA Forecast and GHG Proceeding*. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Comments*. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding (the list) is available on the Commission’s web page at: https://ia.cpuc.ca.gov/servicelists/A1604018_83630.htm. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission’s Process Office. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission’s website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or who has questions about the electronic filing procedures should contact the Commission’s Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

IT IS RULED that:

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling of the assigned Commissioner or Presiding Officer.
2. This proceeding is categorized as ratesetting. This ruling as to category is appealable pursuant to Rule 7.6 Commission’s Rules of Practice and Procedure.
3. This proceeding requires evidentiary hearings.

4. Any party requesting a final oral argument before the Commission shall file and serve such request on the same date that opening briefs are due.

5. *Ex parte* communications are subject to Rules 8.1, 8.2, 8.3, and 8.5 of the Commission's Rules of Practice and Procedure, and Public Utilities Code Section 1701.3(c).

6. Pursuant to Rule 13.2 of the Commission's Rules of Practice and Procedure, Administrative Law Judge Gerald F. Kelly is the Presiding Officer.

Dated June 14, 2016, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel Peter Florio
Assigned Commissioner